SAPC-9270 Copy 3 of 5

MEMORANDUM FOR: Project Contracting Officer

19 September 1956

THROUGH

: Deputy Project Director

SUBJECT

: Attached Air Force Request for Authority to

Procure Systems One and Three

1. I have noted the attached Air Force request. I have also been advised by that the Navy will almost certainly wish to procure from Ramo-Wooldridge several of the systems that Company has developed for us. I foresee that the same problem will arise in due time with other suppliers as the Army and Navy find applications for subsystems we have developed outside of and in addition to the USAF U-2 Follow-On Program.

- 2. It is, of course, desirable that we do everything possible to facilitate the widest use of sub-systems that have been developed for us consistent with the maintenance of security surrounding AQUATONE. Moreover, it is my feeling that knowledge and actual use by unwitting personnel in the Services of most of our sub-systems would in no way impair the security of our Project. In particular, our four electronics systems, the tracking camera, the 6" and 24" focal-length cameras, and the sextant could have been developed by either of the Services or by their manufacturers without any reference to the U-2 aircraft or our Project. In all probability the same is true of the B and C Camera Configurations as well. If, therefore, the availability of such items is explained by satisfactory cover stories and if the procurement procedures used by the Services do not involve the compromise of these cover stories, I can see no objection to permitting Service procurement to go forward.
- 3. It would appear to me that the procedure proposed by the Air Force would be entirely satisfactory. Presumably Ramo-Wooldridge could explain to unwitting Air Force personnel that certain equipment had been developed either by the Company on its own initiative or for specific applications in one or more classified programs but that the equipment cauld now be offered for other applications. The unwitting procurement personnel need have no knowledge of the nature of the "classified programs" or of their sponsorship.

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The sub-systems should almost certainly be classified experimental as the Air Force request itself suggests in order to relieve the Company from the necessity of giving information about previous experience with them or about costs incurred and prices charged in other applications. It would seem to me that a similar procedure could be employed with respect to any one of our sub-systems and that it could be employed as well by the Navy as by the Air Force.

- 4. The principal risk to our security that occurs to me in connection with such procurement is that which might arise in connection with the testing or further development of the sub-systems. I assume that R&D officers would want to know to what extent the item in question had been tested, how much experience had been accumulated with it, why certain specific design features had been incorporated, etc. In the case of an item such as System #I in which we are doing no further development work, I would think these questions could be answered without much difficulty. On the other hand, I can see a possibility of confusion if not a breach of security if, say, the Air Force undertook to procure through normal channels items still under development for us. Accordingly, I would think we would be well advised to restrict procurement to those sub-systems on which our development work was substantially completed.
 - 5. I would appreciate if you would review the above provisional opinions with the Security Officer and others as appropriate. I would like to arrive at a reasonably firm policy on this matter and to have it reduced to writing by the time of the Suppliers' Meeting in the beginning of October. I am inclined to believe this will be of interest to all of our suppliers and we should try to find a few minutes on the agenda to give them guidance on this matter.

RICHARD M. BISSELL, JR. Project Director

RMB:djm 1-Addressee 2-Dep. Pro. Dir. 3-Pro. Dir. Chrono 4-Security Officer 5-Pro. Chrono